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8 UNITED STATES DISTRICT COURT
9 FOR THE EASTERN DISTRICT OF CALIFORNIA
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11 GUARANTY HOLDINGS OF
12 CALIFORNIA, INC., LLC, a California
limited liability company,

13 Plaintiff,

14 v.

15 RESORT AT LAKE TULLOCH, LLC, a
16 California limited liability company, et al.,

17 Defendants.
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No. 1:20-cv-00456-NONE-EPG

ORDER TO SHOW CAUSE WHY CASE
SHOULD NOT BE DISMISSED FOR LACK
OF SUBJECT MATTER JURISDICTION

(Doc. No. 1)

FOURTEEN-DAY DEADLINE

19
20 Plaintiff Guaranty Holdings of California, Inc., LLC, filed a complaint on March 30,
21 2020. (Doc. No. 1.) From the court's initial review of the complaint, it appears that the court
22 lacks subject matter jurisdiction to consider the claims presented.

23 Federal courts are courts of limited jurisdiction and lack inherent or general subject matter
24 jurisdiction. Federal courts can adjudicate only those cases which the United States Constitution
25 and Congress authorize them to adjudicate. *Kokkonen v. Guardian Life Ins. Co.*, 511 U.S. 375
26 (1994). To proceed in federal court, a plaintiff's pleading must establish the existence of subject
27 matter jurisdiction. Generally, there are two potential bases for federal subject matter
28 jurisdiction: (1) federal question jurisdiction, or (2) diversity jurisdiction.

1 Plaintiff's complaint indicates diversity as the basis for this court's subject matter
2 jurisdiction. (Doc. No. 1 at ¶ 2.) Under 28 U.S.C. § 1332, district courts have jurisdiction over
3 civil actions where there is complete diversity of citizenship and the amount in controversy
4 exceeds \$75,000. *Morris v. Princess Cruises, Inc.*, 236 F.3d 1061, 1067 (9th Cir. 2001) ("Section
5 1332 requires complete diversity of citizenship; each of the plaintiffs must be a citizen of a
6 different state than each of the defendants."). Plaintiff, however, states that "jurisdiction in this
7 court is proper in as one of the defendants [sic] resides outside this state" (Doc. No. 1 at 2.)
8 That is not a correct statement of law.

9 Complete diversity among the parties appears to be lacking in this case insofar as plaintiff
10 and at least one defendant are California residents, as indicated in the complaint. (Doc. No. 1 at
11 2-3.) Because diversity jurisdiction does not appear to be present, and because the complaint
12 does not indicate the presence of a federal question, plaintiff is **HEREBY ordered to show cause**
13 **in writing within fourteen (14) days of the date of this order** why this case should not be
14 dismissed for lack of subject matter jurisdiction.

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16 IT IS SO ORDERED.

17 Dated: **April 2, 2020**

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20 UNITED STATES DISTRICT JUDGE
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